

HCS HB 73 -- HIGHER EDUCATION SAVINGS PROGRAM (Luetkemeyer)

This substitute creates the Missouri Higher Education Deposit Program. The new program will provide an additional method to invest savings for college on a tax-free basis ("529 Plan"). The program will be administered by a seven-member board, consisting of the Director of the Division of Finance, the Director of the Department of Higher Education, the Commissioner of the Office of Administration, and four private members appointed by the Governor who have expertise in finance. The board may enter into deposit program participation agreements with financial institutions in the state. These institutions would be allowed to set up 529 Plans for their customers, allowing citizens of the state to invest their savings for college in a financial institution within the state.

FISCAL NOTE: Total Estimated Net Cost to General Revenue of \$59,283 to Unknown in FY 2004, \$56,399 to Unknown in FY 2005, and \$57,814 to Unknown in FY 2006. Expected to exceed \$100,000 annually.